

Case Service Memo: 2006- 03
Subject: Clarification and Revision of Financial Need
Determination Calculations
To: All Staff
From: Stacey Cummings
Issue Date: April 12, 2006
Effective Date: April 12, 2006

Purpose:

The purpose of Case Service Memo 2006-03: Clarification and Revision of Financial Need Determination Calculations is to provide clarification about current existing USOR policy in regards to calculating a client's financial contribution toward paid services, and to describe a change in the way a client's financial contribution should be calculated in instances where VR is providing a one-time service only.

Clarification/Policy Change

This is a clarification of the USOR policy regarding the amount of money that a client has available to contribute toward the costs of his/her rehabilitation program, and when and how much they should be expected to contribute at one time.

The amount a client will be expected to contribute is calculated as a yearly amount. This is because financial need is calculated on an annual basis, and therefore the amount determined to be available annually is the amount that is available for the client to contribute to the costs of their rehabilitation program. USOR has chosen to break down the available contribution amount into a monthly figure for counselor convenience, and to give clients more options in providing their contribution. However, client contribution should still be considered as an annual amount.

For example, if the financial needs assessment indicates that a client had \$100 per month available to contribute, that would be \$1,200 annually. The counselor could apply it to on going services such as day care, training, or other expenses that would occur monthly, or the client could use all or part of the annual amount to help pay for a big ticket item such as tools, computers or other equipment. It could also be utilized in combination. Using the \$1,200 annual/ \$100 monthly figure, a counselor could apply \$50 per month towards training for the year and the remaining \$600 as a one time contribution to help pay for tools.

The key point to remember is that the amount identified as available is the amount available for the full year. The client is expected to contribute that amount towards his/her VR program.

Financial contribution should be calculated from the date of IPE development until the date of anticipated case closure. Some cases require limited or short term services, and the life of the case is not expected to reach one year. In these cases, counselors shall prorate the client's contribution to cover only the length of time that the case is

expected to remain open. However, client contribution should be expected to continue throughout the life of a case.

As an example, consider the client who has been identified as having \$100 available monthly to contribute and the counselor agrees to purchase a \$1,500 computer. Rather than asking the client to contribute just the \$100 expected in that one month toward the computer, the counselor should expect the client to contribute a yearly amount, \$1,200, toward the cost of the computer. This would be expected however only if the client's case was scheduled to remain open for at least 12 months from the date of IPE development, and if the client was not using the monthly contribution toward some other ongoing, agreed upon service. If the client's case was expected to remain open for just 4 months total from the date of IPE development, then the counselor would expect a 4 month contribution, or \$400, toward the cost of the computer. Because of the 90 day requirement of successful employment (after services are provided), the minimum a client would be expected to contribute toward services would be the monthly amount determined available multiplied by three (as the case would remain open at least that many additional months)*.

When a counselor provides a one time service, they should look at the amount identified as available to contribute like an insurance deductible, i.e. the client has to pay the first \$1,200 before VR money "kicks in". One time purchases must have the "deductible" paid up front. Clients may choose to secure credit or financing for their contribution if they do not have the total amount available to contribute and/or if they wish to spread out their contribution over several months. If a client chooses to take out a loan to cover the cost of their contribution, counselors may include any fees and interest amounts the client will be charged as part of the client's contributed amount. Clients are never **required** to take out a loan or obtain credit. If a client is experiencing difficulty in obtaining their expected contribution up front, VR counselors should seek supervisory consult about options for such clients which would assure responsible client contribution but also allow for the client to reach their vocational goal.

***Exception:** This minimum length of time may not apply to cases which are reopened in a post-employment status. When opening a post-employment case a counselor should first re-determine financial eligibility, based on the client's situation at the time of reopening, and then prorate contribution for the number of months they expect the case to remain open. In the case of post-employment services this may only be for 30 – 60 days.